

Title I Compliance Issues

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The Big Issues in Compliance

- Supplement not Supplant
- Maintenance of Effort
- Comparability
- Services to Private School Students
- Parent Involvement (Terry's session will cover)
- State and Local Allocations and Carryover
- Within district allocations



Supplement not Supplant

- Schoolwide program schools, are not required to provide supplemental services to targeted children (but still must focus on raising achievement of lowest performing students).
- BUT an SWP must use Title I funds only to supplement the amount of funds/services that would, in the absence of Title I funds, be made available for the school from state and local sources.



Supplement not Supplant

- In a targeted assistance school (TAS), federal funds must be used to supplement and in no case supplant state and local resources.
- Services must be provided only to eligible students most in need on academic measures.
- “What would have happened in the absence of the federal funds?”



Supplement not Supplant Presumptions (TAS)

See A-133 Compliance Supplement

- Presume supplanting occurred if federal funds were used to provide services that:
 - Were required to be made available under other federal, state or local laws.
 - Provided with non-federal funds in prior year.
 - Provided to non-Title I students from other funds.



Supplement not Supplant Presumption Rebutted

- If SEA or LEA demonstrates it would **NOT** have provided services if the federal funds were **NOT** available.
- **NO** non-federal funds available this year.
 - Documentation available to confirm this.
 - State legislative action or local board minutes.



Exclusion from Supplement not Supplant

- An LEA may exclude from its compliance with the supplement, not supplant requirement, state or local funds expended for programs that meet the intent and purpose of Title I, Part A.
- See Title I regulations and section 1115 of statute.
- This is critical to know when trying to implement Response to Intervention.



Maintenance of Effort (MOE)

- An LEA (local educational agency or district) may receive funds only if the SEA (state educational agency or OPI) finds the combined fiscal effort per student or the aggregate expenditures level of the LEA from state and local funds from the preceding year is not less than 90% of second preceding year.



MOE

- Federal funds are excluded.
- OPI uses information from the Annual Trustees' Financial Summary to run the calculations.
- Fiscal effort per student is run three ways: by Average Daily Attendance (ADA), Enrollment, and Average Number Belonging (ANB).



MOE

- If an LEA fails MOE, the SEA must reduce amount of allocation in the exact proportion by which the LEA fails to maintain effort below 90%.
- SEA must reduce all applicable ESEA (Elementary and Secondary Education Act) programs, not just Title I.
- The target for the the next year is the 90% figure, not the actual expenditure level.



Comparability

- An LEA may receive Title I Part A funds only if it uses state and local funds to provide services in Title I schools that, taken as a whole, are at least comparable to the services provided in non-Title I schools.
- Reasonable variance of 10% is ok.



Comparability

- Does not apply if enrollment is less than 1,000.
- Does not apply if only one school per grade span.
- Determination must be made annually.
- Only about 25 districts in MT must do it.
- Can exclude “Title I like programs.”



Comparability

- Form and directions are posted on OPI web site, Title I page. Notice mailed to districts that must complete every year.
- If a discrepancy of more than 10% is found, the LEA must adjust staff immediately or no later than the start of the second semester.
- This means staff transfers or hiring of additional staff with state or local funds.



Assurances

- In E-Grants:
- There are common assurances and program specific assurances related to comparability and many other requirements.
- Print out the assurances and read them to understand what you are agreeing to!
- These are very important compliance statements that you must abide by as a condition of receiving federal funds.



Assurances

- For example, two assurances that are requirements in meeting comparability are:
- a district wide salary schedule,
- and a policy to assure equivalence among schools in resources from state and local funds.



Services to Private School Students

- Issues can be grouped into several categories:
- Consultation
- Provision of Equitable Services
- Calculation of Equitable Services
- Selection of Participants
- Title I Funded Staff



Services to Private School Students

- Services Not to Benefit a Private School
- Contracts with Third Parties
- Evaluation of the Program
- Maintaining Control of the Program



Services to Private School Students

- **Consultation must, at a minimum, address the following:**
- How children's needs will be identified;
- What services will be offered;
- How and when decisions about the delivery of services will be made;
- How, where, and by whom services will be provided;



Services to Private School Students (Consultation cont.)

- How services will be assessed and improved based on assessment results;
- Size and scope of services;
- Proportion of funds allocated;
- Method for determining poverty data;
- Equitable services to teachers and parents of participants.



SEA/LEA Allocations

- State Title I Part A Allocation is the total of all district allocations as determined by USED.
- Four pots of money: Basic, Concentration, Targeted, and Education Finance Incentive Grant (EFIG).
- These are commingled at district level and used for identical purposes.



SEA/LEA Allocations

- The allocation formula includes:
- U.S. Census Bureau estimates of low-income children ages 5-17
- Children in locally operated institutions for neglected and delinquent children
- Foster children
- Children in families above federal poverty level receiving TANF (welfare) assistance



SEA/LEA Allocations

- The formula also factors in the state per-pupil expenditures (PPE).
- After USED calculates the grants for each eligible district, states must adjust them for several factors. So district allocations published on the USED Web site are never correct final allocations (even though it may say “final”).



SEA/LEA Allocations

- Montana is approved to use alternative formula for districts that have less than 20,000 persons in total population (all ages).
- This includes all districts except the “Big Seven” systems (14 legal entities)
- The alternative formula uses free and reduced price meal eligibility numbers instead of the U.S. Census poverty figures.



SEA/LEA Allocations

- States deduct authorized amounts for:
 - administration (1% or if 1% yields less than \$400,000, may deduct \$400,000)
 - school improvement (4%)
 - academic achievement awards (5% of any increase if there is an increase)
- Also deduct for MOE reductions



Hold-harmless

- All 4 formulas parts provide for a variable hold-harmless guarantee for each LEA of 85, 90, or 95% of the previous year's allocation.
- The hold-harmless % depends on the formula child rate of each LEA.
- For Basic, Targeted, and EFIG, an LEA must meet the eligibility criteria in order for hold-harmless protections to apply.



Hold-harmless

- For Concentration grants, the hold-harmless provision applies to an LEA for four years even if it no longer meets the eligibility criteria.
- This accounts for some very small allocations that get reduced by 5, 10, or 15% every year until the four years is up.



Preliminary Allocations

- These will not be known until approximately two months after Congress finally passes a final appropriations bill for Federal Fiscal Year 2011 .
- Due to the lateness of Congressional action on the appropriations, our allocations likely will be later than ever.



Preliminary Allocations

- After OPI receives preliminary allocations it takes 3 -4 weeks to make all the adjustments, apply the alternative formula for small districts, and double check them.
- USED will release final allocations after final appropriation is completed, so we don't expect preliminary allocations until June or July at the earliest. Again, it takes time to make final adjustments.



Carryover

- Districts with allocations of \$50,000 or more are limited to 15% carryover. MT has approval to waive this again for 2010-2011 as we did for 2009-2010. Districts must request the waiver in writing by September 1.
- Districts with allocations of less than \$50,000 may be identified by OPI as having excess carryover, if it exceeds 40% of the current year allocation.



Carryover

- Carryover is determined by OPI after final fiscal close-outs are received.
- Carryover is now loaded into E-Grants so districts can go in and create an amendment to add the carryover to the budget and make other needed changes.



Within District Allocations and Selection of Eligible Schools

- Districts must adjust for:
 - Any district level set asides taken off the top.
 - Required and permissive amounts
 - District allocates to eligible schools on basis of Free/Reduced lunch counts.
 - District must rank schools if:
 - Enrollment is greater than 1,000
 - More than one school per grade span



Within District Allocations and Selection of Eligible Schools

- If Ranking of Schools is required:
 - District must rank all schools in system on basis of low-income percentage.
 - District allocates funds on basis of per-poor-pupil amount.
 - District has some discretion in determining the per-poor-pupil amount, i.e., grade span.
 - Higher poverty schools must receive more or at least the same as lower poverty schools.



Within District Allocations and Selection of Eligible Schools

- If Ranking of Schools is required:
 - **NOTICE: *The 125 percent rule***
 - If a district chooses to fund any schools with less than 35% low income students, then all schools above 35% must receive at least 125% of the district per-pupil amount.



Within District Allocations and Selection of Eligible Schools

- “Grandfather” Provision
 - If a school was eligible the previous year, but is no longer eligible, the district may allocate funds for one additional year.
- “Feeder Pattern” Provision
 - The student low-income percentage from a school that “feeds” another school may be used to calculate the allocation for the higher grade school.



Within District Allocations and Selection of Eligible Schools

- School (Attendance Center) Allocation includes:
 - Funds for services to be provided to public school students.
 - Funds for equitable services to be provided to non-public school students, if required.

(Amounts are shown on ESEA/NCLB Title I Targeting Step 4 page on E-Grant Application)



Questions